

# Popular Annual Financial Report

For the Fiscal Year Ended  
June 30, 2021



# City Manager's Message

I am pleased to present to you the City of Hardeeville's first Popular Annual Financial Report. This report is for the fiscal year ended June 30, 2021 and is intended to increase awareness of the financial operations of the City. The purpose of this report is to communicate Hardeeville's financial condition in a user-friendly manner.

Additionally, this report provides non-financial information highlighting Hardeeville's recent accomplishments and insight into what the future will bring. It is important for citizens to be informed of what is occurring throughout our City.

Financial information within this report is derived mainly from the City's 2021 independently audited financial statements that are prepared in accordance with generally accepted accounting principles. These audited statements are part of the Hardeeville's 2021 Annual Comprehensive Financial Report (ACFR). We are proud to say the City's ACFR has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for each of the last nine years.

We welcome your feedback regarding this report. Please share any questions or comments with our Finance Director, John Boyle, at [jboyle@hardeevillesc.gov](mailto:jboyle@hardeevillesc.gov).

Sincerely,

Michael J. Czymbor  
City Manager



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Hardeeville's Recreation Center opened July 2021

# HARDEEVILLE AT A GLANCE

Founded in 1911, the City of Hardeeville is now one of the fastest-growing cities in the Southeast. A once rural, small city located in the southern tip of Jasper County, South Carolina, the City of Hardeeville has a long history filled with change.

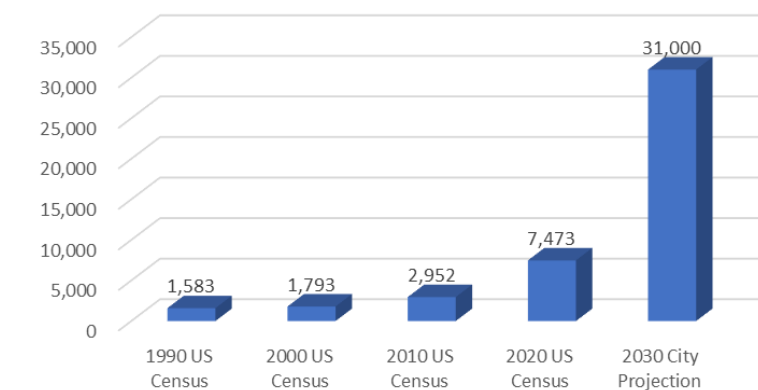
Influenced by its geographic location along the I-95 corridor and its proximity to Hilton Head, Bluffton and Savannah, the City of Hardeeville is experiencing substantial growth and development. The City is now fifty-six square miles.

Hardeeville continues to grow with the expansion of its 55+ communities such as Sun City, Latitude Margaritaville and Riverton Pointe. Along with this growth, anticipated construction near East Argent and ongoing development throughout the City, the City's population is expected to exceed 31,000 residents by 2030.

## Hardeeville Population Growth

Year	Population	Increase
1990 US Census	1,583	
2000 US Census	1,793	13.3%
2010 US Census	2,952	64.6%
2020 US Census	7,473	153.2%
2030 City Projection	31,000	314.8%

## Hardeeville Population Growth



In anticipation of this growth, City officials are developing opportunities to strengthen the community and job creation, drive the economy, enhance relationships and partnerships, and provide opportunities that improve the quality of life for all residents.

Population 7,473



Male 48.1%



Female 51.9%



Bachelor's degree or higher 38.4%

Median Age 57.1 years

Per capita income \$41,535

Median household income \$68,365

Average travel time to work in minutes 24.8

Median value of owner-occupied housing units \$336,000

Average household size 2.17

Top Ten Employers	# of Employees
Coastal Carolina Medical Center	371
City of Hardeeville	111
Jasper County School District	110
The Greenery	100
Royal Live Oaks Charter School	86
Waste Management	80
Terry Lee Contracting	72
Cracker Barrel	65
Margaritaville	60
Ecofoam	46
Total for Top Ten Employers	1,101

Source: US Census April 2020 & July 2019

# GOVERNANCE

The City of Hardeeville operates under the Council-Manager form of government. Policy making and legislative authority are vested in a governing council consisting of five members. The governing council's responsibilities include, but are not limited to, passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, municipal judge, and attorney.



David Spisso  
Council Member

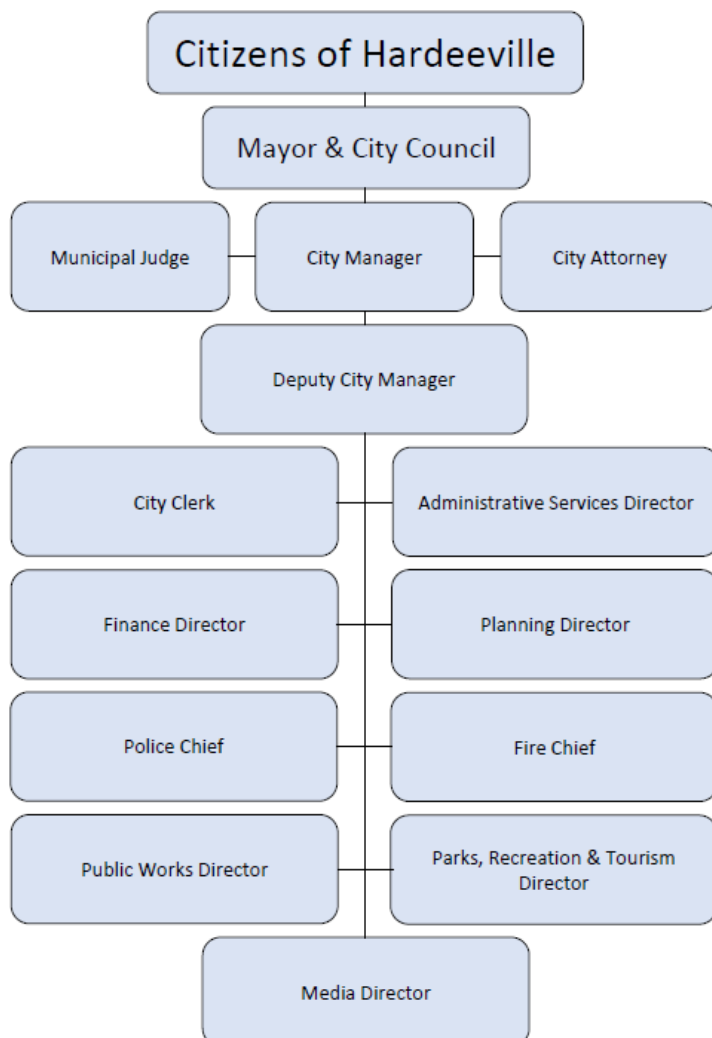
Carolyn Kassel  
Mayor Pro Tempore

Harry Williams  
Mayor

John Carroll  
Council Member

Bo White  
Council Member

## Organizational Structure



## Appointed Boards & Commissions

### Accommodations Tax Committee

Makes recommendations to City Council for disbursement of State Accommodation Tax funds for tourism related events.

### Board of Building Appeals

Reviews requests for City building official code interpretations.

### Board of Zoning Appeals

The Board of Zoning Appeals (BZA) provides the ability to grant relief from the Municipal Zoning and Development Ordinance (MZDO) through the granting of variances and special exceptions.

### Planning Commission

The Planning Commission serves as the public's first opportunity to comment on proposed planning and zoning changes. Its duty is to engage in a continuing program for the physical, social, and economic growth, development, and redevelopment of the City.

### Recreation Advisory Commission

The Recreation Advisory Commission plays an essential role in the community by promoting quality parks, programs, events, and facilities for Hardeeville residents in harmony with the Parks, Recreation, and Tourism Department.



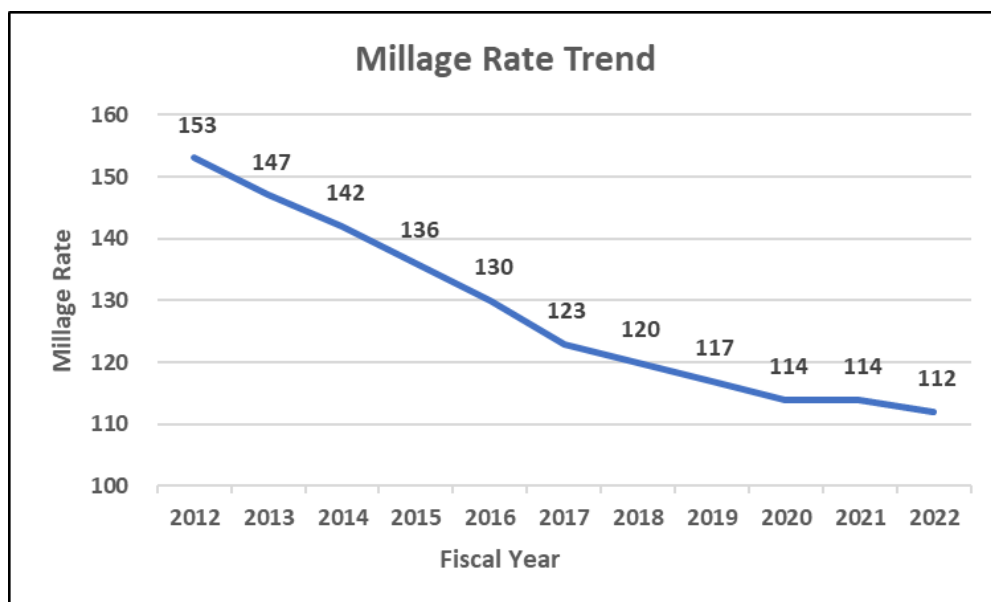
# TAXATION & MILLAGE RATE

Hardeeville is located predominately in Jasper County with a small portion located in Beaufort County. Taxes are levied by the City and both counties. The County 'Overlapping Rate' has various components as indicated in the charts below. Hardeeville does not have components to its rate. The County overlapping and total city & county rates show the total tax to citizens and the rates imposed by the respective counties.

FISCAL YEAR ENDED JUNE 30,	CITY	JASPER COUNTY OVERLAPPING RATES						TOTAL CITY & COUNTY RATE
	DIRECT RATES							
		COUNTY OPERATIONS	CHERRY POINT FIRE DISTRICT	COUNTY DEBT SERVICE	SCHOOL OPERATIONS	SCHOOL DEBT SERVICE	TOTAL OVERLAPPING RATE	
BASIC RATE								
2012	153.00	145.00	31.00	12.00	165.25	25.00	378.25	531.25
2013	147.00	143.00	33.00	12.00	172.00	25.00	385.00	532.00
2014	142.00	142.00	33.00	12.00	166.00	25.00	378.00	520.00
2015	136.00	142.00	32.00	12.00	164.00	25.00	375.00	511.00
2016	130.00	142.00	32.00	12.00	164.00	25.00	375.00	505.00
2017	123.00	142.00	32.00	12.00	164.00	25.00	375.00	498.00
2018	120.00	142.00	32.00	12.00	166.00	25.00	377.00	497.00
2019	117.00	142.00	32.00	12.00	166.00	25.00	377.00	494.00
2020	114.00	142.00	32.00	12.00	166.00	25.00	377.00	491.00
2021	114.00	142.00	32.00	12.00	166.00	25.00	377.00	491.00
2022	112.00	142.00	32.00	12.00	166.00	25.00	377.00	489.00

FISCAL YEAR ENDED JUNE 30,	CITY	BEAUFORT COUNTY OVERLAPPING RATES							TOTAL CITY & COUNTY RATE
	DIRECT RATES								
		COUNTY	COUNTY		SCHOOL	SCHOOL	TOTAL		
		PURCHASE OF	DEBT		OPERATIONS	DEBT	OVERLAPPING		
	BASIC RATE	OPERATIONS	REAL PROPERTY	SERVICE		SERVICE	RATE		
			PROGRAM						
2020	114.00	54.30	5.50	5.50	114.00	31.71	211.01	325.01	
2021	114.00	53.90	4.80	5.50	114.00	31.71	209.91	323.91	
2022	112.00	53.90	5.30	5.60	121.60	36.30	222.70	334.70	

The chart to the right shows the City's reduction in the millage rate from FY12 to FY22. The reduction of 41 mills over this timeframe represents a tax reduction of 27%. A mill is represented as \$1 tax per \$1,000 taxable value. This 41 mill reduction means that a property with an assessed value of \$100,000 in FY12 would have been taxed at \$15,300. A property with an assessed value of \$100,000 in FY22 will be taxed at \$11,200. The 27% decrease for a property with an assessed value of \$100,000 results in \$4,100 less tax.



# REVENUE - SOURCES OF FUNDING

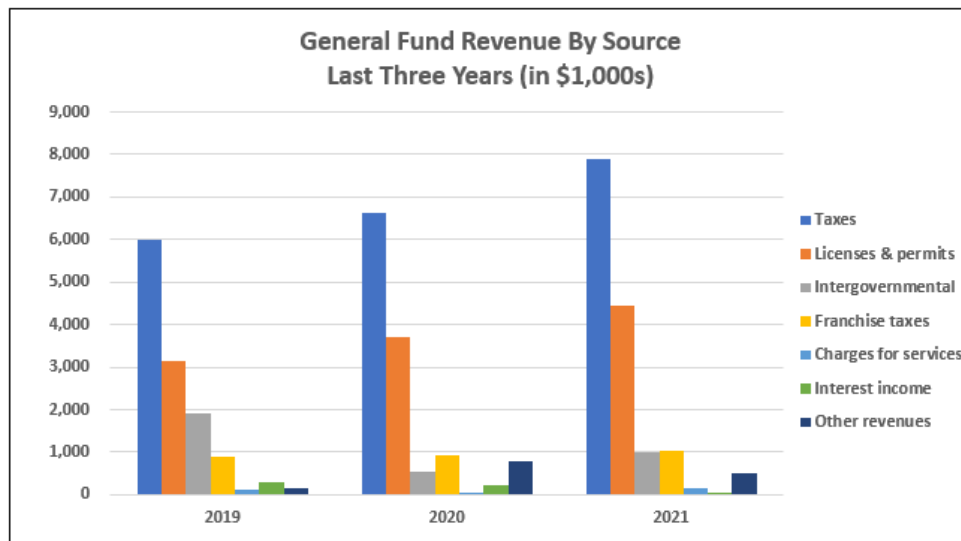
The City has various sources of revenue including taxes, licenses & permits, grants, and charges for services. This revenue pays for the services provided to citizens and businesses.

When assessing the financial results of the City, the General Fund is the primary focus. The General Fund is the general operating fund of the City and supports day-to-day operations. It is used to account for all revenues and expenditures of the City, except for those required to be accounted for in another fund such as Capital Improvement Projects or Development activity. The City's General Fund Revenues totaled \$15,040,445 for FY 2021.

## General Fund Revenues

	2019	2020	2021
Taxes	5,982	6,620	7,890
Licenses & permits	3,154	3,718	4,457
Intergovernmental	1,916	541	996
Franchise taxes	878	936	1,020
Charges for services	111	44	155
Interest income	288	217	20
Other revenues	158	800	502
<b>Total Revenues</b>	<b>12,486</b>	<b>12,876</b>	<b>15,040</b>

Graphically, the City's revenue over the last three fiscal years is represented in the chart below.



## Licenses & Permits -

License and permit collections are the second largest source of general fund revenue, accounting for 30% of general fund revenue. Major sources of license and permit revenue are:

Alcohol, Beer, and Wine – revenues paid by establishments serving on premises alcohol on Sunday.

Business Licenses – revenues collected for all business licensed in the City.

## Licenses & Permits

	2020	2021	% Increase
Alcohol, beer & wine licenses	600	2,250	275%
Business licenses	1,405,112	1,616,486	15%
Planning permits	264,848	343,362	30%
Building permits	1,915,182	2,331,683	22%
Water/sewer fees	132,750	163,250	23%
<b>Total</b>	<b>3,718,492</b>	<b>4,457,031</b>	<b>20%</b>

Planning Permits – fees related to staff analysis of proposed new development activities.

Building Permits – revenues from permitting and inspection of residential and commercial development.

Water/ Sewer Fees – fees collected for new residential connection to water and sewer services.

# EXPENDITURES-WHERE OUR MONEY GOES

The City must responsibly manage the funds it receives to provide services to the citizens and businesses. This section details the services provided residents and businesses. General fund expenditures finance the City's daily operations.

Expenditures by function for the last three fiscal years are shown in the chart below.

## General Fund Expenditures (in \$1,000s)

	2019 Actual	2020 Actual	2021 Actual	2022 Budget
General government	1,879	2,575	2,786	4,313
Judicial	196	192	186	232
Public safety	5,191	5,467	5,956	7,260
Public works	1,374	858	775	1,083
Culture and recreation	277	370	498	1,024
Housing & development	1,092	1,301	1,157	1,949
Debt service	984	1,095	1,119	984
Total Expenses	10,994	11,858	12,478	16,845

General Government includes the costs of elected officials and the Executive, Finance, Public Information, Information Technology, and Facilities Maintenance departments.

Judicial includes the costs of the Municipal Court.

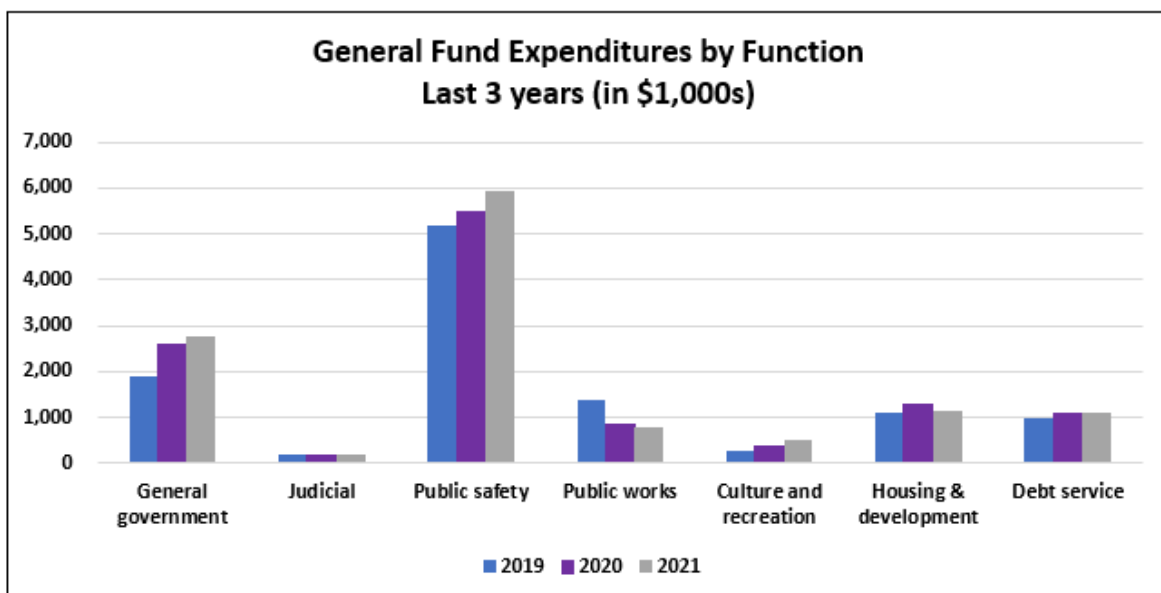
Public Safety costs represent the costs of the Police and Fire departments

Public Works are the costs of the Public Works department.

Cultural and Recreation costs are those of the Parks, Recreation & Tourism department.

Housing & Development includes costs of the Planning, Downtown Development, Building Inspection, and Workforce Development departments.

Debt Service includes principal and interest payments on the City's debt.



# ASSETS AND LIABILITIES

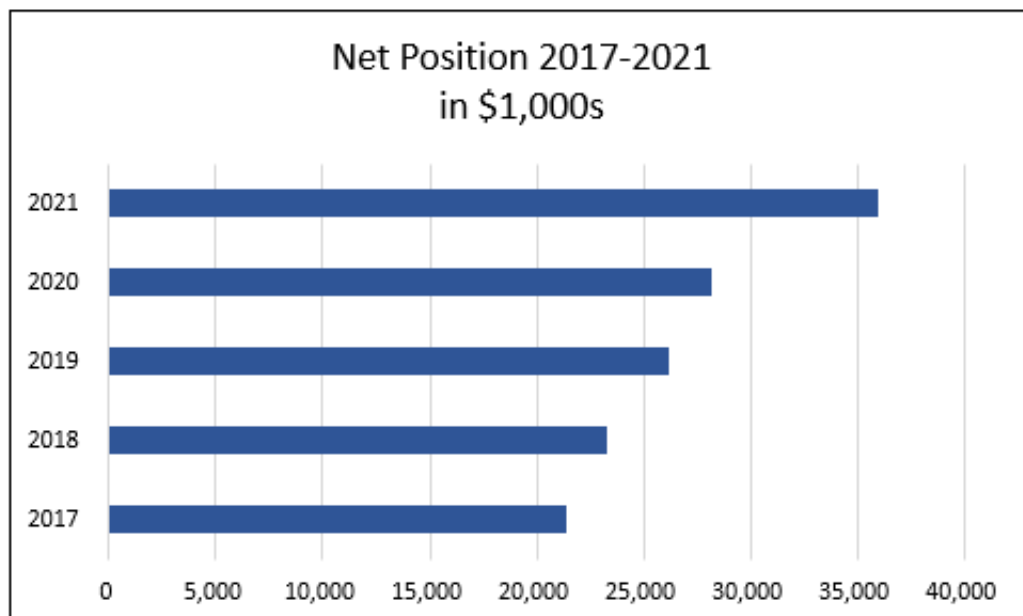
Along with the understanding of the City's sources of revenue and how funds are spent, it is also important to understand its financial position. It is best to look at the City's overall financial condition using the full accrual basis of accounting. This basis of accounting is similar to the basis of accounting used in the private sector.

This allows for consideration of all assets, liabilities, revenues and expenses of the City. The schedule shows the net position, the difference between the City's assets and liabilities, as of June 30, 2021 compared to June 30, 2020.

Statement of Net Position			
	FY21	FY20	Change
<b>Our Assets - What We Have</b>			
Unrestricted current assets	8,588,529	6,898,632	1,689,897
Restricted assets	31,181,388	21,192,264	9,989,124
Capital assets	39,935,508	30,772,134	9,163,374
<b>Total Assets</b>	<b>79,705,425</b>	<b>58,863,030</b>	<b>20,842,395</b>
Deferred Outflows	2,868,739	2,740,415	128,324
<b>Our Liabilities - What We Owe</b>			
Current liabilities	19,172,793	7,049,018	12,123,775
Long-term liabilities	15,377,373	16,145,539	(768,166)
Net pension liability	11,977,129	10,084,585	1,892,544
<b>Total Liabilities</b>	<b>46,527,295</b>	<b>33,279,142</b>	<b>13,248,153</b>
Deferred Inflows	65,789	104,525	(38,736)
<b>Net Position</b>	<b>35,981,080</b>	<b>28,219,778</b>	<b>7,761,302</b>

The assets of the City exceeded its liabilities at the close of the fiscal year by \$35,981,080 (net position).

Portions of the restricted net position amount are designated for developer agreements, tourism projects and public safety. Capital assets currently comprise slightly more than 50% of the City's assets. While these assets are used to provide services to our citizens, they are not available for future spending. The chart displays the City's net position over the last five years and reflects a healthy and improving financial position.

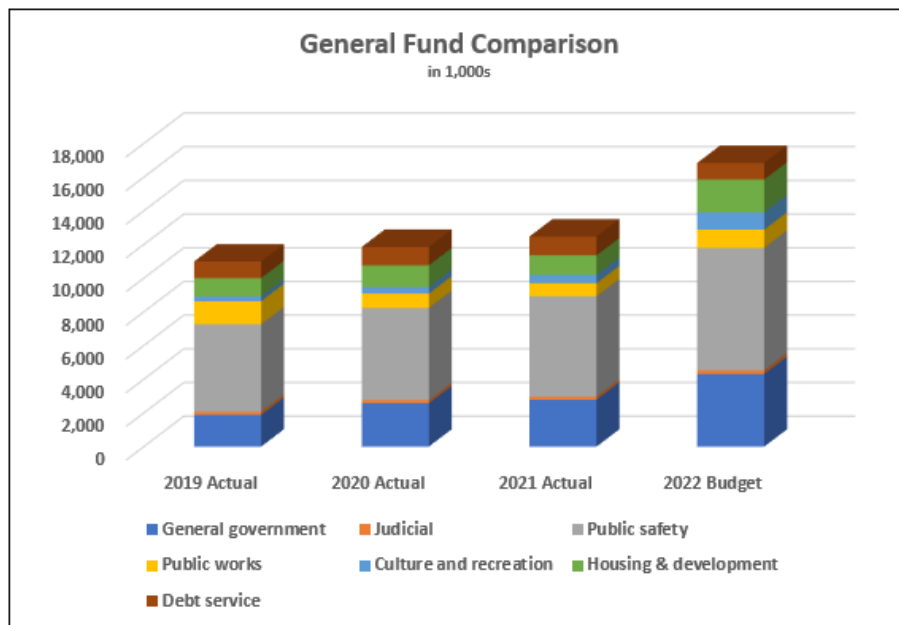




# FISCAL YEAR 2022 BUDGET

The fiscal year 2022 budget is the City's financial plan. The plan includes estimates of anticipated revenues as well as how much the City expects to spend. The budget is the framework that provides the staff and resources necessary to provide planned services to residents for the year.

The 2022 General Fund budget is displayed alongside actual results for fiscal years 2019, 2020, and 2021 in the graph below. (Note: Each year the City budgets 20% for budget stabilization. These are funds available should an emergency or natural disaster occur. For comparison purposes, these funds are not included in the 2022 budgeted amounts.)



Notable increases in General Fund expenditures include:

Staffing and utilities for the City's new recreation center

Six months planned staffing for Fire Station 84 – 3 Engineers & 3 Lieutenants,

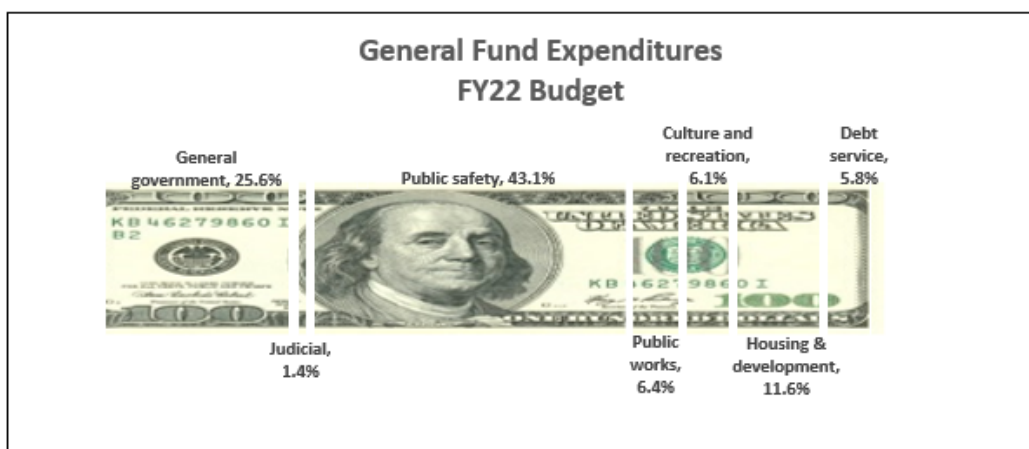
Three new Police Department staff – Detective, Patrol Officer and Records Specialist

Hiring of two building inspectors in the Planning Department

Workforce Development costs to account for training of over 100 welders and CDL drivers

Increased capital outlay costs

The graph below is the fiscal year 2022 general fund budget shown overlaid on currency. It provides an easy visual depicting where the City's General Fund money is budgeted for the year. Over two-thirds of the planned expenditures are for public safety and general government.



# ACCOMPLISHMENTS

## POLICE

Hardeeville Police Department is in the process of a three-year city-wide camera system implementation.

The camera system is another tool for policing and aids in the identification and collection of evidence. Phase one of the implementation resulted in cameras being placed throughout the recreation complex behind city hall. Phase two implementation is currently underway and begins at Whyte Hardee Boulevard and Highway 46 and continues to Exit 5. Finally, phase three will focus on the Exit 8 area of the City.



## FIRE

Fire departments are rated on a scale of 1-10 with 10 being the worst and 1 being the best. Hardeeville Fire Department maintains an Insurance Services Office (ISO) rating of 3. The Department is one of only 8.2% of fire departments nationwide with a score of 3 or less. This 3 score allows Hardeeville residents to pay less for their property insurance than they would were the score higher.

## PARKS RECREATION & TOURISM

The global pandemic prevented the City from being able to provide some of our more popular events: Fourth off Main, Festival on Main and the Battle of the Badges. That did not deter our Parks, Recreation and Tourism (PRT) staff from finding creative ways for our citizens to safely get out and enjoy themselves.

PRT provided drive in movie nights and modified the Easter Egg Hunt to be a drive through event complete with a visit from the Easter Bunny. The City was able to modify other events such as Trunk or Treat, the Fill the Bus school supply drive and the Fishing Rodeo to afford residents much appreciated opportunities for a change of pace. Two other favorites; the Annual Holiday Tree Lighting, and Santa's Toy Box were attended by Santa and enjoyed by many.



FY 2021 saw the completion of the much anticipated Recreation Center. The 35,000 square foot Center includes:

- A fully equipped fitness center
- Indoor walking track
- NCAA regulation basketball court
- Volleyball, racquetball & pickleball courts
- Meeting space



# PROJECT UPDATES

## Exit 3 & Industrial Development on US17

The City of Hardeeville I-95 Exit 3 Interchange Project is unique public/private collaborative infrastructure project. The project will provide accessibility to Interstate 95 and US 17 in the southern portion of the City of Hardeeville and will accommodate traffic associated with the much anticipated RiverPort Development. This development includes new industrial, commercial, and residential traffic including the moving of freight along with exponential volumes of traffic associated with the expansion of the Savannah Port.

The project consists of 3 components: (1) the Exit 3 interchange, (2) a new overpass for I-95, (3) development of 4.5 miles of roadway extending both north and south of the interchange. The Exit 3 Interchange will stimulate economic growth by enhancing interstate accessibility and improving multimodal access with the addition of the interchange and RiverPort Parkway.



This project proactively addresses the severity of congestion and potential safety implications of the new projects by diverting flow of traffic from the I-95 Exit 5 Interchange and by connecting to US 17. The project also creates some secondary benefits for the region by providing improved accessibility to the interstate system for Hardeeville, Jasper County, Town of Bluffton, and Beaufort County improving congestion and mobility along US 278 and US 17.

Total project cost is estimated at \$86 million dollars with completion anticipated by 2026. A primary financial plan has been previously identified for the project utilizing South Carolina Transportation Infrastructure Bank (SCTIB) grant and loan funds along with a monetary commitment of funds and matching contributions from the developer. Phase 1 of the RiverPort Parkway South has been completed by the developer. As the developer continues to work on Parkway South, the City is working with SCTIB, South Carolina Department of Transportation, US Army Corps of Engineers and Federal Highway Administration for completion of necessary steps to assure the momentum on the project continues.

15 million square feet of warehouse space has been approved with nearly 2 million square feet having already been constructed. Many businesses, including large, well known brands, have expressed interest in the US17 industrial corridor as an efficient, cost effective solution to their logistics needs.



## Whyte Hardee Boulevard

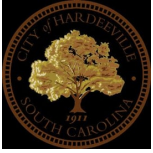
Whyte Hardee Boulevard plan seeks to calm traffic, make the area more pedestrian-friendly and help rebuild the center business/civic district of Hardeeville. Some immediate or short-term priorities include adopting updates to zoning regulations and creating a business improvement district. Medium-term include designs for road improvements and incentive packages. Long-term include marketing and major construction of roadways/medians.

## Hardeeville Commerce Park

The Hardeeville Commerce Park is a 167-acre South Carolina Department of Commerce site certified park, located just north of the I-95 Exit 5 interchange adjacent to U.S. 17/Whyte Hardee Boulevard. The Commerce Park is in an Opportunity Zone. The City received grant funding to install infrastructure which is expected to be completed in Spring 2022.



Most property in the Park has been sold and will be developed in the coming years. When complete, the park will be an employment center for the region.



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453 followers  
Follow us @HardeevilleSC



1,100 followers  
Follow us at city\_of\_hardeeville\_sc



Scan QR Code to access our social media

## About this Report

This report is intended to provide a summary of the City of Hardeeville operations for the fiscal year ended June 30, 2021. This report is a summary and certain financial statements, including all GAAP required disclosures, are omitted. A copy of the City's Annual Comprehensive Financial Report (ACFR) which is prepared in accordance with GAAP and contains more detailed information, may be downloaded at:

<http://hardeevillesc.gov/DocumentCenter/View/12673/Financial-Report-Year-Ended-June-30-2021-PDF>.